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State of Utah

DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

MICHAEL R. STYLER
Executive Director

JOHN R. BAZA
Division Director

Inspection Report

Minerals Regulatory Program

Report Date March 29, 2006

Supervisor ORZ

Mine Name: Cane Creek Potash
Operator Name: Intrepid Potash

Permit number: M/019/005
Inspection Date: February 24, 2006
Time: 12:30-2:30 PM

Inspector(s): Paul Baker
Other Participants: Rick Klein
Mine Status: Active

Weather: Clear, 40-50s

Elements of Inspection	Evaluated	Comment	Enforcement
1. Permits, Revisions, Transfer, Bonds	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Public Safety (shafts, adits, trash, signs, highwalls)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Protection of Drainages / Erosion Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Deleterious Material	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Roads (maintenance, surfacing, dust control, safety)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Concurrent Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Backfilling/Grading (trenches, pits, roads, highwalls, shafts, drill holes)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Water Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Soils	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Revegetation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Air Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Purpose of Inspection:

The main reason for the inspection was so I could look at the revegetation test plots which were established this past fall.

Inspection Summary:

1. Permits, Revisions, Transfer, Bonds

In January 2005, representatives of the operator and of the Division met to discuss alternate methods of bonding the site. Intrepid subsequently submitted a proposal which the Division reviewed. A response was sent August 12, 2005, but the Division has not received another proposal.

2. Public Safety (shafts, adits, trash, signs, highwalls)

The mine plan includes provisions for a landfill that will accept demolition debris at the time of reclamation, and this landfill has now been opened. One portion of the area is designated for asbestos disposal.

10. Revegetation

The first two test plots we visited (Photos 1 and 2) are the "soil ridging/furrowing vs. no soil ridging/furrowing test plots" as described on page 74 of the current edition of the mine plan. The intention is to see whether salts will concentrate on the soil ridges and furrows and allow plants to become established on the "slopes." The plots are both on salt-affected well pads that were graded and flushed with about 18000 gallons of water which, according to the plan, should be about one pore

Inspection Date: February 24, 2006; Report Date: March 29, 2006
Page 2 of 2
M/019/005

volume. The plot shown in Photo 2 was then furrowed, and both plots were seeded with a mix shown in the plan. We were able to find some of the seeds in both plots.

Two plots within the salt tailings pond area will be irrigated over an extended period (one or two years) in an attempt to leach salts from the soil. One of these plots is shown in Photo 3, and the other is adjacent to it on the left side of this photo. Irrigation has not yet begun on these plots.

There are two additional plots in the salt tailings pond area, one of which is shown in Photo 4. These areas were covered with a perforated liner, then the liner was covered with 24 or 36 inches of alluvial soil. These areas were then seeded. The purpose of these test plots is to see whether 24 inches of soil is adequate for plants to become established and thrive or if more soil is needed. Some plants in this region have relatively shallow rooting depths while others have very deep roots, and the idea of the test plots is to see whether adequate vegetation can be established with limited soil

Photo 5 shows a control plot corresponding to the plots where a liner was used. Alluvial soil was placed over uncontaminated soil.

We were not able to find a lot of seed in the plots where alluvium was used for soil.

Conclusions and Recommendations:

The "no furrow" plot is very smooth, and I expect little to grow there, but one of the purposes of the test is to see whether furrows will increase vegetation establishment.

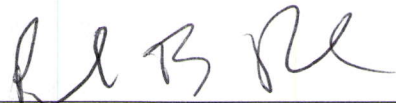
Although the plots with alluvium now look compacted, Mr. Klein assured me this was not the case when they were planted. If for some reason these plots need to be replanted, I recommend that the operator leave them rougher.

Immediately prior to seeding, the operator needs to roughen the surface of the plots that have yet to be seeded.

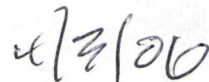
Because of the amount of rock in the plots where alluvium was used for soil, I do not believe they will have any erosion problems. The rock will also greatly increase infiltration.

Overall, the operator has done an excellent job establishing the test plots.

Inspector's Signature



Date:



PBB:pb

cc: Ric York and Rick Klein, Intrepid
Will Stokes, SITLA

Attachment: Photos

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ATTACHMENT

Photographs

M/019/005, Cane Creek Mine, Intrepid Potash

Inspection Dated: February 24, 2006; Report Dated: March 29, 2006



Photo 1. The "no furrow" test plot.



Photo 2. This test plot is designed to show whether salts can be isolated at the tops and bottoms of the furrows and allow plants to grow.



Photo 3. These plots will be irrigated over the next one or two years to leach salts. They will then be seeded.



Photo 4. This is one of two plots where a liner was placed over salt-affected soil followed by placement of alluvial soil. One plot received 24 inches of soil and the other had 36 inches.



Photo 5. This is the control plot corresponding to the plots where soil was placed over liners. Alluvial soil was placed over uncontaminated soil. A portion of the new landfill is visible in the background.